

Dear Honorable Judge Robert Drain,

February 13, 2009

As you consider your decision on the Delphi salary benefit elimination issue, I hope you weigh in the fact that each coming year in the future, if the benefit plan were to remain as it currently is, various numbers of the salary retirees will turn age 65, and thus become Medicare eligible, and not need any more coverage from Delphi. The Delphi request for benefit elimination affects primarily those that retired early, like myself. Those that left at the youngest ages, will have more years to pay 100% of their premiums, which will brutally, and totally unexpectedly, severely affect our budgets. Delphi's obligation under the plan that is currently in place diminishes substantially each year, until it approaches a much smaller amount per year in less than 10 years—NOT the \$70 million each and every year as touted in the media reports on this issue.

I am one of the Delphi salary retirees who will apparently lose my health care and life insurance April 1, 2009. One question many of us salary retirees have is how can Delphi somehow, in some way, continue to find funds to pay the hourly retirees all of their benefits, while, with the stroke of a pen, they indiscriminately eliminate ours? Of course, we all know that they are bound by the UAW contract, which is great for all those retirees, whose number is far greater than the salary side. I also know that GM stepped up and provided financial assistance for Delphi hourly active employees and retirees, as the former parent. However, we salary retirees made many contributions during our time there, and also sacrificed much during previous tough times. Wouldn't it have been noble for GM to have provided some assistance to the Delphi salary retirees, in order to keep our benefits intact until we reached the Medicare age of 65? In fact, I worked as an hourly employee (production, followed by a skilled trades apprenticeship) for 11 years before I made the stupid mistake of getting my Engineering degree from the University of Michigan and "advancing myself". I would have been far ahead to have stayed hourly, and retired with all my benefits. I worked 31.5 years, and am now age 59. My HMO health care premium will now be over \$800 per month for my wife and myself, or about \$10,000 per year, or a total of at least \$60,000 for the next 6 years until I reach the magic Medicare age.

Many salary retirees may not feel any pain from this benefit elimination if their spouse had been employed at a fulltime job that pays retired benefits, and they are able to sign on to their spouse's plan. Instead, we chose the more traditional American lifestyle, whereby my wife stayed home during the years before our two daughters were of school age. Then, my wife worked outside the home in order to help put the girls' through college. Unfortunately, neither daughter is a doctor! Again—another mistake—our retirement years would have been much more secure had my wife chosen the "career route" for herself, instead of putting the children first. Now that we are just a few years into the prime, and hopefully most healthy, years of our retirement, we are slammed with this crisis.

Finally, there is the misconception that all salary employees made more money than the hourly, and they thus can better handle benefit elimination. The truth is that most salary people (secretaries, clerks, first-line supervisors, and many engineers) made similar money to that of UAW workers, and actually less

in many cases, due to the unavailability of overtime for salary employees. This loss of benefits is probably no big deal to the executives and upper management, but it is extremely painful to most of us lower level salary retirees.

I retired (and set-up my budget accordingly) believing that I would have health care at least until the Medicare age of 65. \$10,000 per year is a huge portion of my pension take-home pay. Now, I have difficult choices to make:
(1) Do I roll the dice, and try to get by without any health insurance until age 65-- a risky proposition, because a couple surgeries could empty our bank account
(2) Do I try to find a job (a tough task in this economy)--and if I were able to find work, it seems strange to be taking employment from a younger man who has a family to raise.

Finally, we all know that economic times are the worst in a generation, and that sacrifices have to be made by most. However, I believe it is totally unethical and immoral that Delphi would coldly and nonchalantly cut salary retiree benefits, while not even batting an eye and continuing to pay hourly retiree benefits in a business-as-usual manner. We should ALL share in these extremely painful sacrifices. Salary people, who have been giving back for years, are being treated like scum, with no loyalty being shown whatsoever for our contributions over the years.

Another injustice exists in my case (and those of most of my fellow salary retirees). I worked 31.5 years, of which approximately 25 years were as a General Motors employee (some hourly time and some salary time)--it would seem a little more just for the Delphi salary retirees to at least receive a proportion of their benefits based on the number of years spent with GM.

One other question that I don't see addressed in any of documents mailed to me is this: There is no mention of Delphi resuming health care benefits to salary retirees if auto industry sales levels return to the levels that Delphi had indicated would support such benefits.

Thanks for your consideration in this matter.



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Enclosures

DELPHI

February 5, 2009

To Delphi Health and Life Program Participants:

The challenges created by a weakened global economy continue to have a dramatic impact on the automotive industry and on Delphi, with customer volumes at levels not likely to recover in the short term. We have and will continue to support our customers and manage our supply chain through this turbulent time. All of us are working on cost-reduction initiatives that have helped make a difference. However, it is essential that we take significant and immediate actions to further address the current challenges.

After consideration of factors including declining revenue and challenging market forecasts, effective April 1, 2009, Delphi will no longer provide health care and life insurance in retirement to salaried employees and retirees. In these extraordinary economic times, it is necessary for Delphi to discontinue these benefits in order to work towards further modifications to its plan of reorganization that will enable the company to emerge from Chapter 11 reorganization as soon as practicable. Delphi acknowledges these actions will impose a real hardship on former beneficiaries of these programs. However, the company's recognition of this hardship, which allowed Delphi to continue these benefits in a more robust economic environment, regretfully does not support continuing these programs in the current economic environment.

Current retirees participating in the Delphi Health Care Program for Salaried Employees and the Delphi Life & Disability Benefits Program for Salaried Employees will be affected as noted below. Specifically, effective April 1, 2009:

Health Care Coverages

- Delphi will no longer provide Corporation contributions towards health care coverages ;
- You may continue health care coverages on a self-pay basis by paying the full cost of any coverages continued (attached is a chart showing the estimated cost of the various coverages);
- Retiree Health Reimbursement Accounts will be discontinued; and
- Delphi will no longer provide the Medicare Special Benefit.

Life Insurance Coverages

- Retiree Basic Life Insurance coverage currently in effect will be terminated and you will be given the opportunity to convert this coverage to a personal policy without proof of your good health.

Estimated 2009 Retiree Self-Pay Rates

Rates shown below are Monthly Rates							
Health Plan Name	Employee Only	Employee and Spouse	Employee and Child(ren)	Family	Spouse Only	Child(ren) Only	Spouse & Child(ren)
Enhanced Medical Plan	\$666.00	\$1,332.00	\$1,198.80	\$1,864.80	\$666.00	\$666.00	\$1,198.80
Point-of-Service Plan	\$636.00	\$1,272.00	\$1,144.80	\$1,780.80	\$636.00	\$636.00	\$1,144.80
Comprehensive Health Savings Plan	\$332.00	\$664.00	\$597.60	\$929.60	\$332.00	\$332.00	\$597.80
Health Net (Southern CA)	\$520.99	\$1,094.08	\$989.88	\$1,458.77	N/A	N/A	N/A
Advantage Health Plan (IN)	\$502.72	\$1,055.77	\$955.17	\$1,407.62	N/A	N/A	N/A
HAP (MI)	\$333.43	\$700.21	\$633.52	\$933.60	N/A	N/A	N/A
Priority Health West (MI)	\$507.89	\$1,066.57	\$965.02	\$1,422.20	N/A	N/A	N/A
Blue Care Network (Southeast Michigan)	\$312.81	\$656.90	\$594.34	\$875.87	N/A	N/A	N/A
Priority Health East (MI)	\$377.92	\$793.67	\$718.07	\$1,058.22	N/A	N/A	N/A
Health Plus of Michigan (MI-Flint)	\$386.05	\$810.70	\$733.49	\$1,080.93	N/A	N/A	N/A
Health Plus of Michigan (MI-SE Mich)	\$304.99	\$640.48	\$579.48	\$853.97	N/A	N/A	N/A
Health Plus of Michigan (MI-Saginaw)	\$399.75	\$839.49	\$759.54	\$1,119.32	N/A	N/A	N/A
Blue Care Network (MI-East/Saginaw)	\$404.59	\$849.64	\$768.73	\$1,132.85	N/A	N/A	N/A
Blue Care Network (Mid-Michigan)	\$404.59	\$849.64	\$768.73	\$1,132.85	N/A	N/A	N/A
Blue Care Network (East/Flint Michigan)	\$368.60	\$774.06	\$700.34	\$1,032.08	N/A	N/A	N/A
Blue Point 2 (NY-Rochester)	\$370.98	\$853.26	\$934.13	\$983.10	N/A	N/A	N/A
United HealthCare (Dayton/Cinci)	\$600.59	\$1,261.24	\$1,141.12	\$1,681.64	N/A	N/A	N/A
Kaiser Permanente (OH)	\$419.44	\$880.82	\$796.94	\$1,174.43	N/A	N/A	N/A
Health Assurance - Warren/Youngstown (OH)	\$550.38	\$1,155.79	\$1,045.72	\$1,541.06	N/A	N/A	N/A
Dental	\$44.00	\$88.00	\$79.20	\$123.20	N/A	N/A	N/A
Vision	\$3.00	\$6.00	\$5.40	\$8.40	N/A	N/A	N/A
Extended Care Coverage	\$11.00	\$22.00	\$19.80	\$30.80	N/A	N/A	N/A

Notes: Rates are evaluated on an annual basis and are subject to change.

Spouse Only, Child(ren) Only, Spouse & Child(ren) are available only to retirees who are Medicare eligible and age 65 or older.

Health Care and Life Insurance
Questions and Answers
February 2009

Health Care

Why has Delphi decided at this late stage of its Chapter 11 reorganization to discontinue Corporation-paid health coverage with less than two months notice to employees and retirees?

Delphi continues to face serious challenges created by a weakened global economy and its effect on the automotive industry. Volumes are at levels we have never experienced as an independent company. U.S. light vehicle sales for 2009 are down roughly 22% from an already slower 2008, and down nearly 40% from volumes experienced at the beginning of this decade. At current forecasts, 2009 U.S. light vehicle sales will reach their lowest level since 1982. This reduced industry activity has a direct impact on Delphi's operations, reducing revenues in our primary automotive supply businesses. In these extraordinary economic times, it is necessary for Delphi to discontinue these benefits in order to work towards further modifications to its plan of reorganization that will enable the company to emerge from Chapter 11 reorganization as soon as practicable.

What are my options following the cancellation of my health care coverages on April 1, 2009?

Retirees may:

1. Elect to continue their health care coverages through Delphi by paying the full cost of coverages continued; or
2. Make arrangements for coverage independently of Delphi and pay an independent insurance carrier for the coverages you choose

What coverages will I be able to continue through Delphi?

You may continue all the coverages you currently have. This includes Medical (includes hospital, medical, prescription drugs, mental health/substance abuse and hearing), Dental, Vision and Extended Care Coverages (if currently enrolled). You can determine which type of the four coverages you want to elect in any combination. However, once you opt out of any of the options, you cannot elect to go back in at some future date.

If I want to continue coverages through Delphi, what must I do and when?

You will be mailed an election kit by the National Benefit Center (NBC) by the end of February that will provide you with the necessary information to make your elections. Your plan options and monthly rates will be included in the kit. Elections to continue coverages must be post marked no later than March 27, 2009. The NBC will not process any kits postmarked after that date and you will lose your ability to self pay for any coverages.

If I elect to continue coverages through Delphi, how will my health care premiums be paid?

If you currently authorize deductions for your health care from your pension check, those deductions will continue. If the amount of your pension check is less than your premium, then you must submit a payment through a monthly billing process. The National Benefits Center will mail a monthly premium statement to your address of record. The invoice will be mailed mid-month for the following month's coverages. Payment is due the last day of the month in which you receive your bill.

Life Insurance

What happens to my life insurance coverage?

Effective April 1, 2009, your Basic Life Insurance will no longer be provided in retirement. However, contributory coverages (Optional Life, Dependent Life and Personal Accident Insurance) you have in effect at that time will continue as long as you make the required premium payments.

What are my options following the cancellation of my Basic Life Insurance?

Current retirees will have three choices:

1. If you are under age 75, you will be given a one-time opportunity to increase your Optional Life Insurance by one level or to elect Optional Life Insurance at the first level. You will be required to submit proof, satisfactory to the Insurance Company, of your good health. You pay the full cost of this coverage; or
2. You may convert, at your expense, all or part of your Basic Life Insurance to an individual policy without proof of good health. This new coverage will be one of the policies issued by MetLife, except term insurance; or
3. You may choose to do nothing.

What are the amounts of Optional Life Insurance available?

Optional Life Insurance amounts range from one to eight times your annual base salary at the time of your retirement. If the amount elected is not an even multiple of \$100, it will be rounded to the next higher multiple of \$100.

How do I find out what, if any, amount of Optional Life Insurance I currently have?

You should refer to your online Options! 2009 confirmation, located on www.delphinbc.com. Also, your current coverage amount will be contained in the enrollment kit being mailed to you by the end of February.

How do I elect to enroll or increase in Optional Life Insurance?

An enrollment kit will be mailed to you by the end of February which will contain all of the necessary forms and instructions you will need to make an election. You will have 31 days from the date of the mailing of the enrollment kit to submit your election and the required Statement of Health form. Elections postmarked after this 31 day period will not be processed, and you will not have another opportunity to enroll in, or increase Optional Life Insurance.

Please note that if you are already enrolled in Optional Life Insurance at eight times your annual base salary, you will not be able to increase your coverage.

When will the coverage, or increased coverage, become effective?

Elected coverage will become effective the first of the month following the date the evidence of your good health is approved by the Insurance Company. If evidence of your good health is not approved, any coverage amount currently in effect will not be impacted.

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Wednesday JOURNAL

FEBRUARY 11, 2009

by Dylan Wallace, 5 Neithercut Elementary • Flint | Weather details, A2

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THE FLINT JOURNAL | MEET COM/FLINT

Flint, Michigan

Delphi retirees reeling

Retirees get notice of huge insurance costs

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—Some Delphi Corp. retirees told to be ready to fork over \$1,000 a month for their insurance and even more for life starting April 1. Retirees went out last week to retirees — a surprise since

Inside

► **GM cuts:** Salaried workers losing jobs, A6. The change still must be approved by a bankruptcy judge. The company has been operating under Chapter 11 bankruptcy, and a hearing is set for Feb. 24 in New York. The company's move to strip salaried retirees of their insurance benefits is

devastating news, but the letters add insult to injury since they come before the issue can even be argued in court, said Cindi Holmes of Shilawasee Township, whose husband retired from Delphi Flint East.

"This is really gonna hurt us bad," said Holmes, 57, who is too young to begin

► Delphi, A12



The Flint Journal • Stuart Bauer

► Cindi and Rod Holmes of Shilawasee Township face having to pay hundreds of dollars a month to continue health insurance if a bankruptcy judge grants Delphi Corp.'s request to drop coverage for salaried retirees.